

PRESS RELEASE

# U.S. Importers of Chinese Stainless Steel Flanges Caught Evading U.S. Trade Orders by Transshipping Through the Philippines

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*Washington, DC*— This week, U.S. Customs and Border Protection (CBP) announced in a final determination under the Enforce and Protect Act (EAPA) that importers Prime Stainless Products, LLC and H&H Machine Co. evaded the U.S. antidumping and countervailing duty orders on Chinese stainless steel flanges by transshipping products through the Philippines. According to the agency, substantial evidence on the record of CBP’s investigation into Prime Stainless and H&H revealed that both importers had falsely declared the country of origin for certain imports as the Philippines, where the products had originally been sourced from China. The importers had accordingly avoided paying the appropriate cash deposits required by existing trade orders on Chinese stainless steel flanges.

CBP’s recent decision was issued after a year-long investigation in response to an allegation filed pursuant to EAPA. As part of its investigation, CBP performed site visits in the Philippines and confirmed through these visits – as well as from various requests for information – that the Philippine company had sourced stainless steel flanges from China, but the products had entered into the United States with a country of origin of the Philippines.

## Related Professionals

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## Practice Areas

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International Trade

As a result of this final determination, CBP has continued suspending the liquidation of any entries by the relevant importers dating back to August 30, 2018, the date of the investigation's initiation. CBP will also continue requiring live entry for future entries, meaning that the importers will have to post applicable cash deposits prior to the release of any entry. Further, CBP's decision does not preclude CBP or any other agency from pursuing additional enforcement actions or penalties.

"We are thankful to CBP for its continued commitment to the aggressive enforcement of AD/CVD laws, and are pleased by its latest decision to bring to light the attempts of some importers to evade and circumvent U.S. trade law through transshipment," said Wiley Rein LLP partner Daniel B. Pickard of the firm's International Trade Practice. "This week's decision also reinforces to importers the importance of exercising caution in doing business with foreign suppliers involving the importation, directly or indirectly, of Chinese or Indian stainless steel flanges."